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ABSTRACT

This paper describes the state of public education in Illinois in 1994. Over the last 3 years, the state has tried to improve its educational system, but continues to fall short of its goal. Attempts to produce economic efficiencies come at the expense of educational programs in rural communities while decentralization efforts in Chicago try to implement what the rural schools have always had--parents, teachers, and communities working together. State incentives send mixed messages: consolidate and decentralize. State fiscal incentives are built in piecemeal fashion and the new accountability standards constitute rhetoric without a funding formula behind it. Political realities continue to encumber movement toward a fairer system within the state and agreement on how to fund the 1995 budget. Administrators continue to seek additional revenues or cut costs without understanding how curricular expenditures relate to overall fiscal health or efficiency. The current growth-spend-improvement curve is antiquated, and a new representation of educational realities must be developed if Illinois is to increase its literacy and graduation rates. This era of globalization, technology, and multicultural boundedness has created permanent changes in schooling, which require a new vision of collaboration. It is concluded that until the process of education becomes a focus, its inputs or outputs will not change. (LMI)

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State-of-the-State 1994

Illinois: The Song Without An End

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State-of-the State 1994
Illinois : The Song Without An End

In both 1992 and 1993 the "State-of-the-State" report for Illinois painted a bleak and unpleasant picture. A picture of a state in fiscal and educational turmoil, a pending lawsuit, and an unsure educational future. 1993 did not bring the much hoped for relief. Almost 100 school districts were placed on the State's "Financial Watch List" this past fall. The collar counties surrounding the City of Chicago continue to struggle with the effects of a property taxation cap that limits access to the natural growth of their tax base. The Chicago Public Schools continue to struggle with decentralization, budgetary constraints, and the Chicago Teachers Union experienced the loss of long-time leader Mrs. Jackie Vaughn. The political arena is heating up as the state moves toward a gubernatorial election in the Fall of 1994. The Democratic Party, in a highly visible primary election, nominated Dawn Clark Netsch their gubernatorial candidate with experience in both State government and the legislature. She has been involved with the Illinois Education Reform Act (1985) and most recently with the Task Force on Education Finance Reform's work and proposal. Her nomination victory, was built upon a platform of educational funding reform-which is a welcome change from the current Republican leadership's "reform your own spending habits" and "no new money" positions for many of the states financially strapped school districts. However, critics have attacked the proposal as an historic "tax and spend" approach, that is short on detail and long on rhetoric to school problems, and not one geared toward long-lasting systemic educational reform.

This is also the first implementation year of the new review process for the revised Accountability Standards passed by the Illinois Legislature. The development of School Improvement Plans, and state recognition tied to continuous improvement, not maintenance of prior achievement, has some districts worried. However, information from selected districts among the first to experience the new on-site evaluations, indicates a need for the State to develop a better rubric for evaluation conditions. Several administrators reported members of the same on-site team were unsure exactly what to look for in the newly required student profiles and authentic assessment procedures. There appears great variance in what constitutes acceptable planning by districts in this first round of the approval process. Given the history of Illinois school and legislative politics, it would not be unreasonable to anticipate heavy lobbying by the State Superintendent's Association and other educational groups, such as the School Boards Association, Principals, and Teacher's Unions placing increased pressure on the legislature and the Illinois State Board of Education to suspend visitations until the rubrics are more finely tuned, and the evaluators more highly trained. The legislation states re-visitation will be conducted at approved sites within a 5-7 year cycle. Several administrators stated evaluation teams were "guessing" this would be maintained, but no one knows definitively at this time. It appears our cart-precedes-our-horse in readiness to engage in this newly approved recognition process for Illinois' public schools.

On June 2, 1994 The Illinois State Board of Education appointed its latest State Superintendent. Joseph A. Spagnolo, 51 will succeed Robert Leninger who leaves to join a St. Louis Banking firm. Spagnolo is an acknowledged advocate of Outcomes-Based Education, and is the former state superintendent from Virginia. Spagnolo acknowledged at his opening press conference:

> *...he knows little about Illinois school funding, politics, or other education issues, but he pledged to determine state policies only after meeting with school groups, educators, and unions from across the state.*
>
> *"My thrust is not so much for them to hear me but for me to hear them," he said. (Chicago Sun-Times, 6/2/94, p.50).*

Unfortunately, as the legislature sits deadlocked on the state budget to begin on July 1, 1994 the new state superintendent is not even in the state to lobby for the education budget with leaders in the House or Senate. The leadership in both houses is hopelessly mired in battles over how to fund the next fiscal year's budgetary items. Primary among these is the reform of the State's Medicaid Program. As recently as this week (6/20-24/94) House Democratic leader Mike Madigan (Chicago) announced democratic rejection of the governor's budget proposal on Medicaid reform, which had passed in the Senate. This leaves an approximate $300Million "hole" in the FY95 budget. No movement yet appears on any front for educational funding. Leader Madigan is proposing to start from square one with FY94s Budget and begin adding to it, rather than taking the governor's proposed FY95 budget and cutting back to an affordable level. This could result in either an approximate $240Million gain, or a $100Million loss, for Illinois K-12 school districts. In typical form decisions will probably not occur until midnight June 30 after they "pull the plug" on the House & Senate clocks to hammer out a last-minute deal on the final budget. If not, the State begins its new fiscal year without a budget on which to operate - something Illinoisans have experienced before, but may seriously harm sitting Republican Governor Jim Edgar in his bid for re-election this fall.

Revising the Illinois Funding Formula

In late September 1993 members of the Center for the Study of Education Finance (Hickrod, et al, 1993)[1] testified before the Revenue Committee of the Illinois State Legislature on the relationship of the Illinois tax structure and its effect on funding of education within the state.

> *All these models move the State of Illinois away from dependence on the property tax base to support education and onto either the individual income tax and/or the sales tax. All could be funded by special excise taxes on gambling in all its forms with or without earmarking for education. There is*

little questions all could be more easily financed with the adoption of a progressive state income tax in place of the present flat rate income tax. All models assume that money does make a difference, or, at least that large differences in money spent between school districts does represent real differences in educational services provided to the children of citizens.(p.16).

In all the report put forward twelve variations on formulas to alleviate the current fiscal stress and disparities of the current Illinois formulary system. They included. Three "sets" labeled I. First Order-Tidal Waves (involving major structural revision in the current K12 funding system); II Second Order-Rough Seas (while still related to structural change, these were viewed as less "radical" in their configurations); and III Third Order-Sea Changes (assumes the current system is fundamentally unchanged and only modifications of the current system are proposed). The most radical, the First Order-Tidal Waves included three proposals. The first, *Full State Assumption Plus Local Tax Overrides* replaces the local property tax with a state-wide tax earmarked for education at approximately $3.50/$100EAV[1]. It recommended funds be distributed on a flat-grant basis at a level of approximately $4,000/weighted pupil[2]. The values were determined for Unit (K12) district configurations. Illinois currently has a three type district configurations. Districts may be elementary, high school, or unit (K12) in their configuration. The principle of an additional weighting for poverty impaction, similar to the current formula is retained, and adds a geographic "cost of living" index to the weighted pupil count. No measurement of wealth is needed. Districts would be allowed to pass local-option referenda to fund spending levels above $4,000/weighted pupil, but if the referenda failed communities would be forced to lower their spending limits to the $4,000 level. No proposals for dollars to follow children were included to show that no public choice plan was being included.

The second plan in this first tier proposed *Full State Assumption for Elementary Schools and continued joint state-local funding for high schools.* Under this plan the state "picks up" the entire cost of all elementary education and formula funding continues to be utilized for high school education. The referenda adjustment is retained for local option to exceed the state-wide rate. This plan eliminates the Unit(K12) district from Illinois in entirety and was stated to be a possible effort to promote regionalization of Illinois' schools, yet retain the community identification so

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[1] Illinois "equalizes" property taxes on a county-wide basis. Each year the Illinois Department of Revenue calculates a county "multiplier" that is used multiplied against the assessed value of each property to determine the adjusted extension.

[2] Illinois' current formula weights pupils according to grade level. Grades K-6 are equal to 1.00; Grade 7-8 equal 1.05; and Grades 9-12 equal 1.25 students.

paramount in rural areas of the state with existing schools while allowing for increased efficiency by regionalizing the high school attendance centers.

The final plan in this first tier was a *Foundation Approach with Recapture* plan. This would return Illinoi to the formulary it utilized from 1927 until 1973 and provides for a grant equal to the foundation level times the weighted pupil minus the required tax rate times the local valuation per pupil - traditionally known as the Strayer-Haig funding formula. The only change from the original is that in this proposal when the state-required tax rate times the local valuation exceeds the foundation level times the number of weighted pupils the "excess" dollars are placed in a pool used to fund the higher foundation level of the grant. It was also suggested that this excess could fund a pool for property tax relief.

The Second Order options included an additional three models - *High Foundation with Tax Overrides; High Foundation with an "Equal Expenditure for Equal Effort" Add-On; and A Political Compromise Model*. The first is similar to the third option in the First Order series. In this one, however,there is no re-capture element and taxation beyond the state-mandated rate would require override referenda. Once again the foundation level is in the $4,000/weighted pupil range. This option also includes recommendations for cost moderations to the state through special excise taxes on off-track betting, riverboat gambling, and land-based casinos plus a broadening of the sales tax base to somewhere in the vicinity of 4-6%[3]

The second option in this tier is a "two-tiered" formula that allows for a high foundation formula and local option override. However, the yield on this override would be equalized by additional state aid. This would guarantee any district the same amount of state dollars plus local dollars and is similar to the system Illinois utilized between 1973 and 1980. It does differ, however, from that earlier formula in that the major funding is carried by the foundation and not the distribution section of the formula.

The final option in this tier give the current governor the extension of the Tax Limitation Cap in the collar counties to the entire state, but increases the foundation level by $900 ($300/year for each of 3 years). A recommendation for a "cap-for-cap" trade is also made relative to the second cap currently existing on the poverty weighting in the existing formula.

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[3] Illinois currently has a state-wide sales tax of 5%, with local option for home-rule cities and counties. For example in the City of Chicago, state + local sales tax equals 8.75% for every $1.00 spent. In DuPage County (in the "collar county" suburbs outside Chicago) state + local option sales tax equals 6.75%.

The third tier of formulae assume the current system of funding is not changed and recommends a series of modifications for consideration by the legislature. In all, six variations-on-a-theme are proposed. They include providing a longer moving average for computing weighted pupils (currently use is a 3-year moving average); the second recommends adding ADA and ADM together and dividing by 2 to aid urban schools in providing staffing and programs even with high truancy rates; the third escalates the foundation level yearly through a cost-of-living index; the fourth variation is the same as the prior (cost-of-living indexing) but says select-a-point-in-time in the last 15 years and "catch up" the current formula, recognizing that 5-6 years is a reasonable back-up given the states economic situation. The fifth variation establishes full-funded state "charter school districts" as experimental schools not subject to the restrictions of other districts, and would not affect other districts funding as they would be "off budget" from the existing formulary and fully funded by the state. The last variation proposed a system of "merit schools" (not districts) with direct funding from the state based on gains in test scores and output measures over a five-year period.

While each of the recommendations have merit, without additional revenues for education, none will be adequate as Illinois' current level of education funding. The need for a revision of the taxing structure will be necessary if any substantial changes in Illinois are to be evidenced. Without new revenues, any formula will be prorated, as in the current formulary, and the children of Illinois - especially in poor urban and rural communities - will be no better off than at present. This shortfall is even affecting the wealthier districts in the state where increases in student/user fees are taking substantive climbs for the next school year. Already several districts within DuPage and Kane Counties have announced increases for registration fees, textbook rentals, sports and club fees, student parking, music instrument rental and instructional fees. One set of parents has filed a lawsuit stipulating that "instructional fees" violate the Illinois Constitution's guarantee of a free public education through the secondary level[2]

CHICAGO REFORM-WHERE DOES IT STAND?

A recent report from the Consortium on Chicago School Research[3] reports that 40% of the city's elementary schools are making "systematic educational improvements" that result in student achievement and another 20% show some evidence of initiating such changes. In the schools were these change have begun new principals were hired to focus on instructional improvements and the use of "best practices" by teachers. These schools are spread throughout the city and cross racial, social, economic, and ethnic boundaries. In addition the study reports these schools are "strong democracy" units in which principals, teachers, parents, and community leaders collaborate on the process of school improvement. The report's conclusion states:

> *...between 36 and 45% of elementary schools show characteristics of systemic improvement efforts. Case-study schools in this category are developing well-integrated educational programs, designed specifically for their own students and circumstances, which are more likely to deal with core instructional issues. Teachers are more involved; they share responsibility; and they are more likely to be changing their regular classroom instruction...In sum, although improvement in student learning is the ultimate standpoint for evaluating the long-term success of PA 85-1418, there is little reason to expect substantial change at this point in time.*

The Chicago School Reform Act (PA 85-1418) created at least "three sites of power" - the Local School Council, the faculty of the school, and the principal. The study was able to describe these patterns and estimate the percentage of schools falling into each category:

> ***Consolidated Principal Power***-the principal dominates decision making. Neither faculty, parents nor community initiate sustained effective involvement - about 43% of schools.
>
> ***Adversarial Politics***- school stakeholders are caught up in a long-term fight focused on control for its own sake, rather than on substantive issues of educational improvement - about 7% of schools.
>
> ***Maintenance Politics***- principal negotiates among active parents, community, and teachers, granting their individual requests for programs, equipment, etc. The participants are complacent, believing that no systematic improvement are needed and the resulting changes are unfocused - about 20% of schools.
>
> ***Strong Democracy***- sustained debate occurs among all three groups on standards, goals, changes and collaboration for school improvement - about 28% of schools. (p.5)[4]

The consortium study drew on results from 28 in-depth case studies of neighborhood elementary schools, and detailed citywide surveys carried out by the consortium from principals and teachers in 400 schools. The major focus covered the analysis of 86% of Chicago elementary schools with low levels of achievement prior to reform. In the four years since the reform act took effect the system was forced to eliminate waste, and reallocate funds from centralized functions and central office administration to spending and allocating more of their dollars to individual school sites. However, the fiscal crisis for Chicago is far from over. The consortium report closes with the following statement:

The fiscal solution must assure some stability to the system over the years ahead. Budget crises have dominated school reform throughout much of its first four years. There is only a limited number of important issues that top leadership in any organization can entertain at any one point in time. Unless fiscal issues are moved off the back burner, the school system may never devote sufficient attention to how it might best support the work of schools.

Substantial efforts have been made to restructure schools in Chicago. Inadequate financial support at this time would have only disastrous effects on these budding initiatives.(p.42)[5]

Finally, one cannot discuss the Chicago Public Schools without mention of its long time Union Leader, Jacqueline Vaughn. This year Jacqueline B. Vaughn, 58, died of cancer in late January, 1994. Ms. Vaughn was the first African-American, and first woman in this century, to head the Chicago union. She became leader of the 31,000 member organization in 1984 after serving as its vice president from 1972-1984. She also served as a vice president of the American Federation of Teachers. Her trademark was a tough-style unionism in bargaining and negotiating achieving gains for teachers even in years of fiscal budget cutbacks. She attended and graduated from the Chicago Public Schools and earned her teaching credentials at Chicago Teachers College. She served on numerous state and national education committees and Task Forces, including the Task Force on Illinois School Funding Reform, the Task Force that developed the newly adopted State Accountability and Recognition Process, and both the 1985 Illinois Education Reform Act, and the Chicago School Reform Act. While she had both friend and foe amongst the educational community, all respected her for her diligence, commitment, and dedication to the welfare of Chicago's Public School children and their teachers.

School District Reorganization

The issue of efficiency in the operation of a state's public education system has been given a substantially higher profile in the last decade. Reductions in state education budgets, with increasing stress to support other state functions such as reduction in crime, drugs, and providing more mental health and police/prison services has increased the desire to encourage (or force) school district consolidation in many states. A recent study on school district reorganization by Drs. Robert Hall of the Institute for Rural Affairs at Western Illinois University and Robert Arnold, at the Center for the Study of Education Finance, at Illinois State University[6] looked at both the curricular and fiscal costs and benefits of consolidation in a selected number of Illinois rural school districts.

Rather than the typical mile-wide inch-deep approach that statistical research in education normally takes, individual school districts were examined in depth. In the report that follows the reader will find a review of the literature, policy data from surrounding states, and profiles of four rural consolidated school districts. The research includes a comparison of curricular offerings and financial information, interviews with board members, administrators, teachers and parents and is rich in anecdotal information.(p.1)

Illinois currently contains 942 separate school districts configured as either elementary (kindergarten through grade 8); unit districts (kindergarten through grade 12); or high school (grades 9-12). Elementary and high school constitute the "dual district" configuration often referred to in other reports related to Illinois. In financial reporting Illinois is "very much like the rest of the nation because a version of Handbook II Revised account code classifications is used"(p.3). Illinois districts by enrollment type are illustrated in Table 1 below:

TABLE 1
School Districts in Illinois-Enrollment by District Type

Enrollment	<500	500-999	1000-2999	3000-5999	6000-11999	12000+
Dist.Type						
Elem.(K-8)	182	78	118	25	5	1
H.S.(9-12)	29	24	36	16	5	0
Unit (K-12)	104	133	132	28	16	10
Total:	315	235	286	69	26	11

Source: Illinois Teacher Salary Schedule Survey, 1991-92, Illinois State Board of Education, Springfield, Illinois.

The summary of the report documented a somewhat contradictory Illinois finance policy relative to school consolidation. At the same time the state is pushing for more decentralization of both financial and curricular decisions at the building level within the City of Chicago (District #299-a unit, K-12, district) it also is providing an insufficient level of funding for rural schools to provide adequate educational programs, encouraging them to reorganize into larger and more economically efficient operating units. The study did, however, highlight that the advantages of reorganization appeared to outweigh the disadvantages and revealed that students were afforded better educational programs, teacher salary and benefit packages increased, teachers were able to concentrate on their field of specialization in greater numbers, and local taxpayers were offered less burdensome tax liabilities. An added advantage appeared to be the increased equity growth evidenced in the communities studied. That is, small rural communities found it difficult to attract or retain population if

without a viable educational program. The efforts to consolidate and regionalize appeared to show an increase in local property equity values which communities could use to "market" themselves. This became important, especially in light of recent demographic events in the rural communities of Illinois. The Institute of Rural Affairs reports:

> *The 1980s did not favor rural areas. Of the 74 nonmetro counties in Illinois, 70 lost population during the decade. Statewide, rural counties lost 5.59 percent of their population in the 1980s compared with an average gain of 1.20 percent in metropolitan counties. The extend of population decline varied widely among counties, with Mason county in the West central region losing 16.53 percent and Pulaski in the southern region losing 14.90 percent..*
>
> *By region in Illinois, northern counties fared best with an average increase of 1.14 percent. But this average reflects increases in the Chicago suburban counties; most rural counties experienced at least a small decrease. Southern counties lost an average of 1.70 percent, followed by eastern counties with a 2.64 percent decline and western counties with a decline of 6.11 percent...*
>
> *Population declines can create several problems for rural areas. First, smaller populations mean that threshold sizes in rural areas are no longer met and home businesses will close. Second, small populations make it more difficult to provide high quality public services at a reasonable cost. The number of residents who must pay for services is small, and the tax base will shrink. This may mean, ultimately, that service delivery must be consolidated or reorganized. For instance, some rural counties may be required to reduce the number of school districts in the future. (p.2)*[7]

The study also documented students appeared to benefit and adjust to the new configurations without substantial stress and achievement fallout. One disadvantage ,however, appeared to come from a small, but non significant, increase in student travel time associated with the consolidations.

In looking on the curricular aspects of the investigation the authors reported:

> *...four years after consolidation some of the districts are back in financial difficulty because boards of education and administrators do not reduce expenses by changing the instructional program. The rural school districts in Illinois do not gain long term from consolidation because the boards and administration continue "education as usual."*

Several fiscal incentives exist in Illinois for the consolidation of school districts. Among these are eligibility for capital development money when districts with over 1000 students (or 500 in a high school) consolidate the state picks up 70% of the cost of a new high school building. The state will also eradicate existing district deficits so

newly formed districts start out fiscally "fresh". However legislators are sensing these deficits are being contrived by local districts, die to the current shortage of state funds. Newly consolidated districts are "held harmless" that is, they do not receive reductions in general state aid that might be evidenced by the combination of their tax bases, and finally the state offers a bonus of $4,000/teacher to make up the differences between the highest and lowest salaries.

None of the consolidation incentives encourages local district efficiencies and there is nothing requiring the reorganization of teaching staffs, curriculums, or incorporation of technology to meet state mandated goals. As a result consolidation brings an influx of needed funds to local districts with no accompanying requirement for changed behaviors or attitudes regarding curriculum, innovation and change, management, or attitudes on what constitutes an "adequate" educational opportunity. Hall and Arnold calculate the Illinois cost/classroom at approximately $94,000 (State avg. exp/pupil of $4,950 x avg. class size of 19), including the average teacher's salary with benefits of $35,000. That leaves approximately $59,000 for instruction and other costs - however, as the authors point out most administrators do not understand what instructional processes should cost and control their budgets with "parsimonious approval of purchase orders, and they replace higher paid teachers with lower paid beginning teachers. Administrators do not as a rule look at a program and determine how to deliver it at less cost. Their inclination is to try to increase revenue."(p.4)[8]

In summary the authors conclude that consolidation is not the answer. Cost control over effective use of teachers, more technology in the curriculum, and a higher level of attention to the effects of curriculum on expenditures are the necessary components of essential educational improvement in Illinois.

The authors summarize it this way:

> *Meaningful reform of school finance in Illinois cannot be realized until the state addresses the key issue of school district reorganization. While Illinois simply can no longer afford the luxury of over 940 separate independent school districts, reorganization by itself, even with financial incentives, is not the solution to the current school finance problems. After incentive money is spent, reorganized districts can find themselves in financial difficulties like all other districts in Illinois because of the lack of adequate financial support. The state must decide what educational opportunities must be afforded each child in Illinois and then ensure that the organization and fiscal capacity is there to support it. A child's education must not continue to be a function of where they live.(p.39)*

Summary

In summary, then, readers now have a deeper understanding of this paper's title. Illinois over the last three years has endeavored to improve its educational system, but continues to fall short of its goal. Attempts to produce economic efficiencies come at the expense of educational programs in rural communities at the same time decentralization efforts in Chicago endeavor to do what rural schools have always had - parent, teachers, and communities working together. State incentives send mixed messages: consolidate and decentralize. State fiscal incentives are built in piecemeal fashion, with little foresight in their cumulative effects on the long term development and improvement of Illinois' schools. The new accountability standards for high expectations and state-level goals is rhetoric without a funding formula behind it. Political realities continue to encumber movement toward a fairer system within the state- and for FY95 even for agreement on how to fund the state's budget at all. Administrators continue to seek additional revenues, or cut costs without a deep understanding of how curricular expenditures relate to overall fiscal health or efficiency.

For the last two years this author has advocated that the current growth-spend-improvement curve was antiquated and a new representation of educational realities must be developed if Illinois is to increase its literacy and graduation rates. Unfortunately, nothing that has occurred during the past year would lead to be belief this revelation has been realized by the political and educational leadership of this state. Its "business as usual" in the legislature, the statehouse, and in local district administration. Somehow no one believes that the modern era is over, and that the dynamics of globalization, technology, and multi-ethnic, and multicultural boundedness has forever changed what schooling must do - in this state, this country, and around the world. More money alone will not do it. It will take an entirely new vision - a vision on collaboration. A vision that stops "ranking" students and teachers and districts by placing them in competition for limited numbers of "A" grades, merit increases, or tax-base wealth. Only until we focus on the process of education, not its inputs or outputs will it change. Everyone must understand their role and the benefit gained from their efforts at improving the process of education - that "black box" of magic events we call schooling in america. Only until we stop blaming people, and start developing good process will things change. But such is the fantasy of poets and philosophers - not of legislators and school administrators - more's the pity.

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